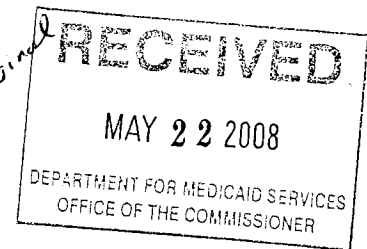




May 14, 2008

5/26/08
To: Neville
Stuart
Keith - original
cc. File



Ms. Elizabeth A. Johnson
Commissioner
Cabinet for Health and Family Services
Department of Medicaid Services
275 East Main Street, 6W-A
Frankfort, Kentucky 40621-0001

Attention: Kevin Skeeters

RE: Kentucky Title XIX State Plan Amendment, Transmittal #08-004

Dear Ms. Johnson:

We have reviewed the proposed amendment to the Kentucky Medicaid State Plan that was submitted under transmittal number 08-004. This amendment will allow the State of Kentucky to establish medical assistance to working people with disabilities that are at least 16 years old but less than 65 years of age to buy-in or purchase Medicaid State Plan Services for a set monthly premium.

Based on the information provided, we are pleased to inform you that Medicaid State Plan Amendment 08-004 was approved on May 13, 2008. The effective date for this amendment is January 01, 2008. We are also enclosing the approved HCFA-179 and plan page.

If you have any questions or need any further assistance, please contact Maria Donatto at 404-562-3697 or Yvette Moore at (404) 562-7327.

Sincerely,

Teresa DeCaro, RN, M.S.
Acting Associate Regional Administrator
Division of Medicaid & Children's Health Operations

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

1. TRANSMITTAL NUMBER:
08-004

2. STATE
Kentucky

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE
January 1, 2008

5. TYPE OF PLAN MATERIAL (*Check One*):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate Transmittal for each amendment*)

6. FEDERAL STATUTE/REGULATION CITATION:
42 USC 1396a(r)(2) and 42 USC 1396a(a)(10), 42 USC 1396b(f), 42
USC 1396d(q)(2)(B) and Public Law 106-170.

7. FEDERAL BUDGET IMPACT:
a. FFY 2008 - \$147,840
b. FFY 2009 - \$147,840

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Att. 2.2-A page 23e;
Att. 2.6-A page 12c-12o;

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (*If Applicable*):

Same

10. SUBJECT OF AMENDMENT:

This plan amendment establishes the benchmark program called Medicaid Works which is a buy-in program for the working disabled up to 250% of the Federal Poverty Level.

11. GOVERNOR'S REVIEW (*Check One*):

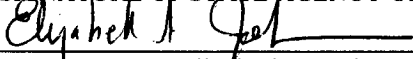
☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED: Review delegated
to Commissioner, Department for Medicaid
Services

12. SIGNATURE OF STATE AGENCY OFFICIAL:



13. TYPED NAME: Elizabeth A. Johnson

14. TITLE: Commissioner, Department for Medicaid Services

15. DATE SUBMITTED: March 13, 2008

16. RETURN TO:

Department for Medicaid Services
275 East Main Street 6W-A
Frankfort, Kentucky 40621

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

03/13/08

18. DATE APPROVED:


05/13/08

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

01/01/08

20. SIGNATURE OF REGIONAL OFFICIAL:



21. TYPED NAME:

Teresa DeCaro

22. TITLE: Acting Associate Regional Administrator
Division of Medicaid & Children's Health Opns

23. REMARKS:

Approved with the following changes as authorized by the State Agency on e-mail dated March 26, 2008: block 7a
FFY 2007 changed to read FFY 2008 and 7b FFY 2008 changed to read FFY 2009.

Revision:

ATTACHMENT 2.2-A
PAGE 23e
OMB NO.:

State/Territory: Kentucky

Citation

Groups Covered

B. Optional Groups Other Than the Medically Needy
(Continued)

1902(a)(10)(A)
(ii)(XIII) of the Act

☐

24. BBA Work Incentives Eligibility Group - Individuals with a disability whose net family income is below 250 percent of the Federal poverty level for a family of the size involved and who, except for earned income, meet all criteria for receiving benefits under the SSI program.
See page 12c of Attachment 2.6-A.

1902(a)(10)(A)
(ii)(XV) of the Act

☒

25. TWWIIA Basic Coverage Group - Individuals with a disability at least 16 but less than 65 years of age whose income and resources do not exceed a standard established by the State.
See page 12d of Attachment 2.6-A.

1902(a)(10)(A)
(ii)(XVI) of the Act

☐

26. TWWIIA Medical Improvement Group - Employed individuals at least 16 but less than 65 years of age with a medically improved disability whose income and resources do not exceed a standard established by the State.
See page 12h of Attachment 2.6A.

NOTE: If the State elects cover this group, it MUST also cover the eligibility group described in No. 25 above.

TN No: 08-004

Supersedes

TN No: None

Approval Date: 05/13/08

Effective Date: 01/01/2008

Revision:

ATTACHMENT 2.6-A

Page 12c

OMB No.:

State/Territory: Kentucky

Citation	Condition or Requirement
1902(a)(10)(A)(ii) (XIII) of the Act	<p>(i) <u>Working Individuals With Disabilities -BBA</u></p> <p>In determining countable income and resources for working individuals with disabilities under BBA, the following methodologies are applied:</p> <p>_____ The methodologies of the SSI program.</p> <p>_____ The agency uses methodologies for treatment of income and resources more restrictive than the SSI program. These more restrictive methodologies are described in Supplement 4 (income) and Supplement 5 (resources) to Attachment 2.6-A.</p> <p>_____ The agency uses more liberal income and/or resource than the SSI program. More liberal methodologies are described in Supplement 8a to attachment 2.6-A. More liberal resource methodologies are described in Supplement 8b to Attachment 2.6-A.</p>

TN No: 08-004

Supersedes

TN No: None

Approval Date: 05/13/08

Effective Date: 01/01/2008

Revision:

ATTACHMENT 2.6-A

Page 12d

OMB No.:

State/Territory: Kentucky

Citation	Condition or Requirement
1902(a)(10)(A) (ii)(XV) of the Act	<p>(ii) <u>Working Individuals with Disabilities - Basic Coverage Group - TWWIIA</u></p> <p>In determining financial eligibility for working individuals with disabilities under this provision, The following standards and methodologies are applied:</p> <p><input type="checkbox"/> The agency does not apply any income or resource standard.</p> <p>NOTE: If the above option is chosen, no further eligibility-related options should be elected.</p> <p><input checked="" type="checkbox"/> The agency applies the following income and/or resource standard(s):</p> <p>The resource limit is \$5,000 for individual and \$10,000 for a couple. Unearned income combined with earned income after deductions shall not exceed 250% FPL.</p>

TN No: 08-004

Supersedes

TN No: None

Approval Date: 05/13/08

Effective Date: 01/01/2008

Revision:

ATTACHMENT 2.6-A

Page 12e

OMB No.:

State/Territory: Kentucky

Citation	Condition or Requirement
1902(a)(10)(A) (ii)(XV) of the Act (cont.)	<p><u>Income Methodologies</u></p> <p>In determining whether an individual meets the income standard described above, the agency uses the following methodologies.</p> <p><u>X</u> The income methodologies of the SSI program.</p> <p>_____ The agency uses methodologies for treatment of income that are more restrictive than the SSI program. These more restrictive methodologies are described in Supplement 4 to Attachment 2.6 – A.</p> <p>_____ The agency uses more liberal income methodologies than the SSI program. More liberal income methodologies are described in Supplement 8a to Attachment 2.6-A.</p>

TN No: 08-004

Supersedes

TN No: None

Approval Date: 05/13/08

Effective Date: 01/01/2008

Revision:

ATTACHMENT 2.6-A

Page 12f

OMB No.:

State/Territory: Kentucky

Citation	Condition or Requirement
----------	--------------------------

1902(a)(10)(A)
(ii)(XV) of the Act (cont.)

Resource Methodologies

In determining whether the individual meets the resource standard described above, the agency uses the following methodologies.

Unless one of the following items is checked, the agency, under the authority of 1902(r)(2) of the Act, disregards all funds held in retirement funds and accounts, including private retirement accounts such as IRAs and other individual accounts, and employer-sponsored retirement plans such as 401(k) plans, Keogh plans, and employer pension plans. Any disregard involving retirement accounts is separately described in Supplement 8b to Attachment 2.6-A.

_____ The agency disregards funds held in employer-sponsored retirement plans, but not private retirement plans.

_____ The agency disregards funds in retirement accounts in a manner other than those described above. The agency's disregards are specified in Supplement 8b to Attachment 2.6-A.

TN No: 08-004

Supersedes

TN No: None

Approval Date: 05/13/08

Effective Date: 01/01/2008

Revision:

ATTACHMENT 2.6-A

Page 12g

OMB No.:

State/Territory: Kentucky

Citation	Condition or Requirement
1902(a)(10)(A) (ii)(XV) of the Act (cont.)	<input type="checkbox"/> The agency does not disregard funds in retirement accounts.
	<input type="checkbox"/> The agency uses resource methodologies in addition to any indicated above that are more liberal than those used by the SSI program. More liberal resource methodologies are described in Supplement 8b to Attachment 2.6-A.
	<input checked="" type="checkbox"/> The agency uses the resource methodologies of the SSI Program.
	<input type="checkbox"/> The agency uses methodologies for treatment of resources that are more restrictive than the SSI program. These more restrictive methodologies are described in Supplement 5 to Attachment 2.6-A.

TN No: 08-004

Supersedes

TN No: None

Approval Date: 05/13/08

Effective Date: 01/01/2008

Revision:

ATTACHMENT 2.6-A
Page 12h
OMB No.:

State/Territory: Kentucky

Citation	Condition or Requirement
1902(a)(10)(A) (ii)(XVI) of the Act	<p>(ii) <u>Working Individuals with Disabilities - Employed Medically Improved Individuals - TWWIIA</u></p> <p>In determining financial eligibility for employed medically improved individuals under this provision, the following standards and methodologies are applied:</p> <p>_____ The agency does not apply any income or resource standard.</p> <p>NOTE: If the above option is chosen, no further eligibility-related options should be elected.</p> <p>— — The agency applies the following income and/or resource standard(s):</p>
TN No: <u>08-004</u> Supersedes TN No: <u>None</u>	Approval Date: <u>05/13/08</u> Effective Date: <u>01/01/2008</u>

Revision:

ATTACHMENT 2.6-A

Page 12i

OMB No.:

State/Territory: Kentucky

Citation	Condition or Requirement
1902(a)(10)(A) (ii)(XVI) of the Act (cont.)	<p><u>Income Methodologies</u></p> <p>In determining whether an individual meets the income standard described above, the agency uses the following methodologies.</p> <p>_____ The income methodologies of the SSI program.</p> <p>_____ The agency uses methodologies for treatment of income that are more restrictive than the SSI program. These more restrictive methodologies are described in Supplement 4 to Attachment 2.6-A.</p> <p>_____ The agency uses more liberal income methodologies than the SSI program. More liberal income methodologies are described in Supplement 8a to Attachment 2.6-A.</p>
TN No: <u>08-004</u> Supersedes TN No: <u>None</u>	Approval Date: <u>05/13/08</u> Effective Date: <u>01/01/2008</u>

Revision:

ATTACHMENT 2.6-A

Page 12j

OMB No.:

State/Territory: Kentucky

Citation	Condition or Requirement
1902(a)(10)(A) (ii)(XV) of the Act (cont.)	<p><u>Resource Methodologies</u></p> <p>In determining whether the individual meets the resource standard described above, the agency uses the following methodologies.</p> <p>Unless one of the following items are checked, the agency, under the authority of 1902(r)(2) of the Act, disregards all funds held in retirement funds and accounts, including private retirement accounts such as IRAs and other individual accounts, and employer-sponsored retirement plans such as 401(k) plans, Keogh plans, and employer pension plans. Any disregard involving retirement accounts is separately described in Supplement 8b to Attachment 2.6-A.</p> <p>_____ The agency disregards funds held in employer-sponsored retirement plans, but not private retirement plans.</p> <p>— — The agency disregards funds in retirement accounts in a manner other than those described above. The agency's disregards are specified in Supplement 8b to Attachment 2.6-A.</p>
TN No: <u>08-004</u> Supersedes TN No: <u>None</u>	Approval Date: <u>05/13/08</u> Effective Date: <u>01/01/2008</u>

Revision:

ATTACHMENT 2.6-A
Page 12k
OMB No.:

State/Territory: Kentucky

Citation	Condition or Requirement
1902(a)(10)(A) (ii)(XVI) of the Act (cont.)	_____ The agency does not disregard funds in retirement accounts.
	— — The agency uses resource methodologies in addition to any indicated above that are more liberal than those used by the SSI program. More liberal resource methodologies are described in Supplement 8b to Attachment 2.6-A.
	_____ The agency uses the resource methodologies of the SSI Program.
	_____ The agency uses methodologies for treatment of resources that are more restrictive than the SSI program. These more restrictive methodologies are described in Supplement 5 to Attachment 2.6-A.

TN No: 08-004
Supersedes
TN No: None

Approval Date: 05/13/08

Effective Date: 01/01/2008

Revision:

ATTACHMENT 2.6-A

Page 12I

OMB No.:

State/Territory: Kentucky

Citation	Condition or Requirement
1902(a)(10)(A) (ii)(XVI) and 1905(v)(2) of the Act.	<u>Definition of Employed – Employed Medically Improved Individuals – TWWIIA</u> _____ The agency uses the statutory definition of “employed”, i.e., earning at least the minimum wage, and working at least 40 hours per month. _____ The agency uses an alternative definition of “employed” that provides for substantial and reasonable threshold criteria for hours of work, wages, or other measures. The agency’s threshold criteria is described below:
TN No: <u>08-004</u> Supersedes TN No: <u>None</u>	Approval Date: <u>05/13/08</u> Effective Date: <u>01/01/2008</u>

Revision:

ATTACHMENT 2.6-A
Page 12m
OMB No.:

State/Territory: Kentucky

Citation	Condition or Requirement
1902(a)(10)(A)(ii)(XIII) (XV), (XVI), and 1916(g) of the Act	<p><u>Payment of Premiums or Other Cost Sharing Charges</u></p> <p>For individuals eligible under the BBA eligibility group described in No. 24 on page 23e of Attachment 2.2-A:</p> <p>— The agency requires payment of premiums or other cost-sharing charges on a sliding scale based on income. The premiums or other cost-sharing charges, and how they are applied are described below:</p>
TN No: <u>08-004</u> Supersedes TN No: <u>None</u>	Approval Date: <u>05/13/08</u> Effective Date: <u>01/01/2008</u>

Revision:

ATTACHMENT 2.6-A

Page 12n

OMB No.:

State/Territory: Kentucky

Citation	Condition or Requirement
1902(a)(10)(A)(ii) (XIII), (XV), (XVI), and 1916(g) of the Act (cont.)	<p>For individuals eligible under the Basic Coverage Group described in No. 25 on page 23e of Attachment 2.2-A, and the Medical Improvement Group described in No. 26 on page 23e of Attachment 2.2-A:</p> <p>NOTE: Regardless of the option selected below, the agency MUST require that individuals whose annual adjusted gross income, as defined under IRS statute, exceeds \$75,000 pay 100 percent of premiums.</p> <p><u>X</u> The agency requires individuals to pay premiums or other cost-sharing charges on a sliding scale based on income. For individuals with net annual income below 250 percent of the Federal poverty level for a family of the size involved, the amount of premiums cannot exceed 7.5 percent of the individual's income.</p> <p>The premiums or other cost-sharing charges, and how they are applied are described on page 12o.</p>

TN No: 08-004

Supersedes

TN No: None

Approval Date: 05/13/08

Effective Date: 01/01/2008

Revision:

ATTACHMENT 2.6-A

Page 12o

OMB No.:

State/Territory: Kentucky

Citation

Condition or Requirement

Sections 1902(a)(10)(A)
(ii)(XV), (XVI), and 1916(g)
of the Act (cont.)

Premiums and Other Cost-Sharing Charges

For the Basic Coverage Group, the agency's premium and other cost-sharing charges, and how they are applied, are described below.

Medicaid Works individuals with income from 101-250% of the FPL will be required to pay a premium in accordance with the following:

Federal Poverty Level	Monthly Premium per Medicaid Works Individual
101-150%	\$35
151-200%	\$45
201-250%	\$55

TN No: 08-004

Supersedes

TN No: None

Approval Date: 05/13/08

Effective Date: 01/01/2008